

Retirement and Insurance Update

5 March 2001

RETIREMENT

Federal Erroneous Retirement Coverage Corrections Act (FERCCA): OPM has not yet finalized details regarding procedures for implementation of FERCCA. We continue to pursue OPM for more specifics and anticipate that OPM will release information before the end of March. Watch for a special Retirement and Insurance Update about FERCCA.

The Department of Defense Civilian Personnel Management Service (CPMS) coordinated directly with the Defense Finance Accounting Service (DFAS) to release the following statement on employee Leave and Earnings Statements (LES). "Retirement error correction legislation may affect you. Check your retirement coverage by going to <http://www.cpms.osd.mil/fas/benefits/fercca.htm> to determine if you are in the right coverage. It is important to your future retirement planning." This statement first appeared on the February 22, 2001 LES and will continue to be in the remarks section of every other LES for the next 6 months. The referenced website provides a tool for employees to utilize to identify whether or not they might be eligible for relief under FERCCA. This is an excellent resource for employees.

At this time employees with questions regarding FERCCA should be referred to the CPMS website above and the OPM website <http://www.opm.gov/benefits/correction/>. Government agencies cannot finalize implementation plans until OPM is forthcoming with specific procedural guidance and regulations. Delay in release of regulations does not affect an employees options or relief provided by FERCCA.

Physician's Comparability Allowances: Agencies have been authorized for a number of years to make comparability allowance payments, known as physicians' comparability allowances (PCAs), under certain conditions. PCAs have previously not been included in basic pay for the purpose of CSRS and FERS. However, with the enactment on December 28, 2000, of Public Law 106-571 — the "Federal Physicians Comparability Allowance (PCA) Amendments of 2000" — PCAs now constitute basic pay for purposes of retirement deductions under both CSRS and FERS. PCAs do NOT constitute basic pay for purposes of deductions for FEGLI purposes. See [Benefits Administration Letter 01-305](#) for more information on this topic.

Cost of Federal Civilian Benefits: Every year OPM announces the estimated cost of the Federal civilian benefits programs – Pensions, Health Benefits and Life Insurance. These cost, known as imputed costs, are of course in addition to salary and provide some insights to the value of our benefits programs. OPM

announced these costs in BAL 01-306, <http://www.opm.gov/asd/htm/2001/01-306.htm> The costs are also provided to the finance and budget offices through a Financial Management Letter (FML). Requests from managers or others regarding the costs of these programs should be referred to the servicing financial management office. However, providing information about where to find the current year's BAL or FML on this topic will often resolve the question.

FEHB

Premium Conversion (PC): Premium Conversion provides employees an opportunity to reduce taxable income. However, there are some advantages and disadvantages that employees should be aware of before making their PC election; the most significant of which is not being able to cancel or reduce FEHB coverage at anytime.

Employees may elect to waive or participate in premium conversion (based on a Qualifying Life Event or during an Open Season) by completing the FEHB Premium Conversion (PC) Waiver/Election Form. This form and information regarding PC is available on the Army Benefits Center-Civilian (ABC-C) website at www.abc.army.mil, under Information/FEHB.

Reemployed and survivor annuitants enrolled in the Federal Employees Health Benefit (FEHB) Program are also eligible to participate in PC if they are employed in a position that normally conveys eligibility for FEHB coverage. OPM must be notified so that the FEHB deduction will no longer be withheld from the annuity payment. OPM has set up a special email address, <mailto:HBPremiums@opm.gov>, so that you can quickly inform OPM of premium conversion actions involving annuitants. Please include the annuitant's name, date of birth, social security number, the effective date OPM should stop or begin withholding premiums, and the annuitant's retirement claim number, if available. After the enrollment is transferred FEHB premiums will be withheld from the employee's pay. OPM must be notified again when the employment ends.

Regions serviced by ABC-C will follow the processes outlined in the Department of the Army Procedural Guide. **CPAC's and CPOC's who receive PC Waiver/Election Forms from employees serviced by ABC-C must forward these forms to ABC-C without signing Part IV.**

CPACs in regions whose employees are not currently serviced by ABC-C can elect to maintain hard copy forms or advise employees to obtain forms from the ABC-C website. If an employee elects to waive PC, the CPAC is responsible for completing Part IV of the form at the time the SF 2809 is processed. The waiver will then be forwarded to the appropriate payroll office/CSR for processing.

Health Care Provider Changes: The Office of Personnel Management (OPM) has released three Benefits Administration Letters (BAL's) regarding opportunities for certain employees enrolled in the Federal Employees Health Benefits (FEHB) Program to change enrollment.

Kaiser Foundation Health Plan of Kansas City, Inc., (Kaiser) Enrollment Code HA, has entered into a proposed sale agreement with Coventry Health Care of Kansas, Inc., (Coventry) to transfer its HMO business. Employees enrolled in Code HA, Kaiser Foundation Health Plan of Kansas City, Inc are provided an open enrollment opportunity period to change enrollment through April 30, 2001. BAL 01-203 provides the details for this plan and can be found at <http://www.opm.gov/asd/htm/2001/01-203.htm>. Enrollment codes for employees who do not elect to change carriers will automatically be covered by Coventry after the sale is finalized. The health codes will remain the same under Coventry. Also, the benefits described in the plan brochure for Kaiser will not change under Coventry. If the sale is not completed OPM assures us that another special open enrollment period will be provided to these employees.

Employees enrolled in M-CARE, Code EG, specifically in the Battle Creek, Michigan area, were provided an open enrollment opportunity period to change enrollments only through March 1, 2001. Details were provided in BAL 01-204 found at <http://www.opm.gov/asd/htm/2001/01-204.htm>. Agencies may apply the cutoff date liberally if necessary. For CONUS employees the Army Benefits Center – Civilian (ABC-C) is the approving authority for any request to change enrollments following the cutoff date.

Employees enrolled in codes NG, Aetna U.S. Healthcare in Thibodaux, Assumption or LaFource parishes in the state of Louisiana must transfer to another participating health plan immediately to continue to receive benefits under the FEHB Program for the remainder of contract year 2001. A special open enrollment period is effective through March 31, 2001. More information regarding this change is at <http://www.opm.gov/asd/pdf/2001/01-207.pdf>.

FEHB Facts: In the past few years the number of FEHB participating health carriers has dropped from over 460 to less than 250. It is apparent that recent changes in law regarding health carrier services, primarily HMO's, will continue to affect carrier participation. For the first time in more than two decades OPM is advertising for health carriers to join with FEHB in providing service to employees, annuitants and family members eligible under this program. Participating health carriers are responsible under FEHB contracts to provide those enrolled in their plan with information regarding any change in services. This is typically accomplished through letters individually mailed to enrollees. OPM provides information to the personnel community via BAL's about individual carrier changes outside of the annual open season. During the annual FEHB open season OPM will release BAL's with lists of carrier changes such as mergers and those dropping out of the FEHB program. OPM has already begun

work on the 2001 open season and will soon begin individual contract negotiations with each participating health service carrier.

The FEHB is the largest employer sponsored health benefits program of its kind. FEHB began covering employees on July 1, 1960 and now provides benefits to over 9 million Federal and Postal employees, family members and retirees. While the number of enrollees is staggering the number of people who manage the program is incredibly low. OPM's management of the FEHB program has been recognized and applauded by Congress and the private sector as well. An unnamed person associated with the previous administration thought so highly of the FEHB program that she actively pursued establishment of a national health care program based on FEHB! The FEHB program continues to change and evolve with technology, societal norms and of course changes necessitated by enactment of laws.

FEGLI

Office of Federal Employees Group Life Insurance (OFEGLI) Moves:

OFEGLI has a new address where FEGLI claims are processed. Part 2 of the SF 2821, Agency Certification of Insurance Status should be sent to the new address:

Office of Federal Employees Group Life Insurance
P.O. Box 2627
Jersey City, NJ 07303-2627

Overnight deliveries only (such as Fed Ex) should be addressed to:

2 Montgomery Street
Jersey City, NJ 07302-3802

Agency personnel and overseas beneficiaries should continue to call (212) 578-2975. The toll-free number for beneficiaries to use is still 1-800-633-4542. The OFEGLI fax number has changed to (201) 395-7950.

SF 2817 Revised: BAL 01-206, <http://www.opm.gov/asd/htm/2001/01-206.htm> provides information regarding the availability of a revised SF 2817, Life Insurance Election. The form has been revised to reflect the current policy on electing Option C multiples.

Change in Personnel

New Army Retirement and Insurance Program Manager: Nancy Sutman has accepted this position in the Policy and Program Development Division of the

office of the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASAMRA) effective 25 February 2001. Ms. Sutman may be contacted by personnelists at commercial (703) 325-9985, DSN 221-9985. Individual employees should not be referred to this number, rather CONUS employees should contact the ABC-C for inquiries regarding civilian benefits and OCONUS employees should continue to work with local personnel offices until serviced by the ABC-C. However, personnelists should feel free to consult with Ms. Sutman for information, guidance and resolution to issues regarding employee benefits programs. Ms. Sutman may also be reached via email, nancy.sutman@asamra.hoffman.army.mil .

Who To Call

DoD CPMS Field Advisory Services (FAS) The Benefits & Entitlements (B&E) Branch of FAS provides technical advisory services to the human resources community. B&E consists of subject matter specialists in the areas of retirement, health insurance, life insurance, the Thrift Savings Plan, and survivor issues. These advisors assist personnelists in obtaining information by providing clarification of laws and regulations, policy interpretation and guidance in operation matters. They may be contacted directly at commercial (703) 696-6301, DSN 426-6301 or FAX (703) 696-4705 and DSN 426-4705. The web address for FAS is <http://www.cpms.osd.mil/fas/benefits/benefits.htm> . Questions may also be e-mailed to the B&E team at benefits@cpms.osd.mil . When a question concerns retirement coverage determinations B&E will need a complete service history provided via email or FAX. Employees should not be referred directly to FAS except for cases involving reconsideration requests for FEHB and FEGLI. Army employees who do contact FAS will be directed to ASAMRA who in turn will direct them to their servicing personnel office or the ABC-C.

ASAMRA – The Army Retirement and Insurance Program Manager should be contacted by personnelists when a retirement, TSP or insurance issue or problem is directly related to Army procedures, operations or services. When an individual employee contacts ASAMRA they will be directed to the appropriate source for assistance. In cases when an employee contacts ASAMRA regarding decisions made by management, CPAC's, CPOC's or the ABC-C, the Army Retirement and Insurance Program Manager will contact that office directly to provide any requested assistance in resolution of the issue. If an employee states that they were provided with information by ASAMRA or "HQDA" contrary to the opinion of a personnelist or management please contact Ms. Sutman.

Office of Personnel Management (OPM) is the source of information for retirees and their family members. There are no restrictions on employees or personnelists contacting OPM for information. However, in most cases OPM will refer employees and personnelists back to their agency (for Army they will be directed to FAS B&E or ASAMRA). The OPM website www.opm.gov is an excellent source of information for both personnelists, employees and annuitants and is available to anyone accessing it.